

Insurance Tax

TABLE 33 – INSURANCE TAX ASSESSMENTS^a AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911-15 TO 2001

Year of assessment 1	Number of assessments ^b 2	Gross premiums tax rate (Percent) 3	Taxes assessed on premiums ^c 4	Local property tax credits allowed 5	Taxes assessed on underwriting profits: ocean marine ^d 6	Total taxes assessed 7
2001	1,272 ^e	2.35	\$1,353,527,142	—	\$519,876	\$1,354,047,018
2000	1,295	2.35	1,266,455,716	—	441,859	1,266,897,575
1999	1,269	2.35	1,164,025,477	—	482,012	1,164,507,489
1998	1,262	2.35	1,145,664,875	—	600,264	1,146,265,139
1997	1,244	2.35	1,126,140,961	—	509,494	1,126,650,455
1996	1,256	2.35	1,076,399,958	—	545,482	1,076,945,440
1995	1,241	2.35	923,458,207 ^f	—	540,624	923,998,831
1994	1,235	2.35	1,077,737,837 ^f	—	363,622	1,078,101,459
1993	1,245	2.35	1,149,354,061	—	375,468	1,149,729,529
1992	1,271	2.35	1,199,878,619	—	288,882	1,200,167,501
1991	1,293	2.46	1,211,392,648	—	297,521	1,211,690,169
1990	1,329	2.37	1,106,574,868	—	230,108	1,106,804,976
1989	1,291	2.35	1,082,116,239	—	236,775	1,082,353,014
1988	1,250	2.35	1,088,501,995	—	215,150	1,088,717,145
1987	1,207	2.35	918,812,776	—	153,794	918,966,570
1986	1,196	2.33	795,971,303	—	149,821	796,121,124
1985	1,182	2.33	655,415,839 ^g	—	85,824	655,501,663
1984	1,174	2.33	584,371,566 ^g	—	66,928	584,438,494
1983	1,144	2.33	459,977,247 ^h	—	183,981	460,161,228
1982	1,106	2.35	472,564,778	—	225,083	472,789,861
1981	1,064	2.35	448,279,043	—	145,962	448,425,005
1980	1,065	2.35	429,220,590	—	100,375	429,320,965
1979	1,038	2.35	396,746,131	—	144,456	396,890,587
1978	1,008	2.35	363,448,942	—	74,843	363,523,785
1977	984	2.35	299,589,171	— ⁱ	37,018	299,626,189
1976	967	2.35	248,384,123	\$17,840,567	23,124	230,566,680
1975	992	2.35	211,852,215	16,731,201	79,999	195,201,013
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1966-70	4,084	— ^j	608,415,914	36,326,900	63,494	572,152,508
1961-65	4,050	— ^j	417,518,009 ^k	23,493,694	189,670	394,213,985 ^k
1956-60	3,719 ^l	2.35	269,850,988	13,515,163	191,281	256,527,106 ^l
1951-55	3,971	2.35	173,274,339 ^m	7,373,849	488,856	166,389,346
1946-50	3,790	— ⁿ	101,734,147	4,178,399	454,383	98,010,131
1941-45	3,400	— ⁿ	58,111,232	5,777,662	139,007	52,472,577
1936-40	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931-35	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926-30	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921-25	2,129	2.60	20,170,810	1,460,622	—	18,710,188
1916-20	1,664	2.00	7,257,013	272,834	—	6,984,179
1911-15	1,490	— ^o	3,893,525	169,848	—	3,723,677

a. Includes self-assessments and board assessments against companies licensed to write insurance on California risks.

b. Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

c. Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late or nonfiling of returns, and adjustments of prior year taxes.

d. Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to 5 percent tax on underwriting profits.

e. Defined in footnote b. In addition, there were 58 retaliatory tax assessments and 701 returns that showed no tax liability of which 254 were for life, fire and casualty, and title insurers and 447 for ocean marine insurers.

f. Refunds granted as a result of court judgments on "Mini-Met" type assessments in the amount of \$44,907,977 in 1994 and \$148,828,823 in 1995 have been deducted. Petition cancellations on "Mini-Met" type assessments amounting to \$33,204,784 in 1994 were also deducted.

g. Includes \$43,872,613 in 1984 and \$50,262,105 in 1985 assessed against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

h. Refunds granted by court decision in the amount of \$31,299,011 for the principal office deduction for the year 1976 have been deducted.

i. This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976; see Chapter 938, Statutes of 1975.

j. The tax rate was reduced from 2.35 percent to 2.33 percent in 1965. The rate was again raised to 2.35 percent in 1969.

k. Excludes \$22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

l. Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

m. Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

n. The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

o. The gross premium tax was first enacted in 1911 at a rate of 1.50 percent on premiums collected in 1910. The rate was raised to 1.75 percent in 1913 and 2.00 percent in 1915.